

CITY OF EAST CHICAGO DEPARTMENT OF WATERWORKS
BOARD OF DIRECTORS
Special Meeting Minutes
July 1, 2022, at 12:00 p.m.

BOARD MEMBERS:

Joseph Ochoa, President
John Bakota, Vice-President
Henry Ventura, Member
Anthony Askounis, Member
Ray Lopez, Member

STAFF:

Joseph Allegretti
Winna Guzman

Reported by: Fissinger & Associates, Ltd.

By: Peggy S. LaLonde

Call to Order: 12:00 p.m.

Pledge of Allegiance

Roll Call: Present in Chambers: John Bakota, Anthony
Askounis, Ray Lopez

STAFF Present in Chambers: Winna Guzman
Joseph Allegretti

MR. BAKOTA: Call to order the Special Meeting of the East Chicago Board of Waterworks of July 1st, 2022.

The business for this meeting is Resolution WD 22-12. Resolution authorizing a revised schedule of rates and charges for services rendered by the City of East Chicago, Department of Waterworks and related matters.

Joe, can you explain this?

MR. ALLEGRETTI: Yes, sir. Good afternoon. I guess the State of Indiana is suffering from having an embarrassing surplus of money, so in the infinite wisdom of governmental assembly, they decided to give some money back to the citizens.

Our utility has historically collected a utility receipt, utility receipt tax, URT, which is basically a pass through. It is added on to the added charges -- and Winna can supplement my comments here -- to the water utility bill and then collected and sent on to the Indiana Department of

1 Revenue. It's just a pass through. We don't get it, we
2 just collect it. But it is built into our system and it
was hard to undo.

3 Because we were preparing to
4 simultaneously or overlapping filing a rate case, we
5 were hoping we could -- and it's kind of labor intensive
6 -- to get our financial consultants to make the rate
7 adjustment and build it into our rates. We were hoping
8 we could defer it. But the State Board of Accounts and
9 the Indiana Utility Regulatory Commission put us on the
10 investigation list and are requiring us to adopt this
11 resolution acknowledging that we will comply with House
12 Bill 1002, repealing the collection of the utility
receipts tax effective July 1st.

13 There is going to be a delay in some
14 taxes that are going to be collected and we are going to
15 have to make a financial accounting for that. Our
16 financial adviser said we will remit that and are in the
17 process of figuring that out, but we'll refund it to our
18 customers or give them a credit and send it on to the
19 Department of Revenue, or we are going to resolve that
issue in some fashion to be determined.

20 So this resolution simply proves
21 what URT proposed and the Board approves it and
22 acknowledges its obligation to undo it, and authorizes
23 the staff to secure the revised rates established by the
24 resolution and comply with the requirements of the IURC
25 so that the appropriate action can be taken. And this
satisfies all other regulations which shall remain in
effect.

So this is just kind of a big
housekeeping resolution. However, because it was time
sensitive, our financial adviser and our rate counsel
wanted us to do it on or before July 1st, which is
today, that's why we scheduled this special meeting.
Sorry for the inconvenience.

MR. BAKOTA: Is this a permanent removal
or temporary?

MR. ALLEGRETTI: It's permanent and it's
politically -- it's political to give some money back.
We have got too much surplus. We are not going to spend
the surplus on what you want, we are going to throw a
bone here and make and create havoc.

Again, it was done without really
understanding the consequences and the burden it placed
on the utility that had been collecting all the time.
There was even some suggestion that the utility had to

1 calculate the amount for each individual customer and
2 put it on the bill, the exact amount of taxes assessed.
3 Rather than just say, okay, your bill is reduced by
4 1.67 percent; that's what the solution is.

5 MR. BAKOTA: That was for all utility,
6 electric and sewage?

7 MR. ALLEGRETTI: Not sewer, just electric
8 and water. Just people that pay sales tax. Sanitary
9 doesn't pay sales tax.

10 MR. BAKOTA: Any other questions? (None)
11 Do I have a motion?

12 MR. ASKOUNIS: Motion to adopt WD 22-12.

13 MR. LOPEZ: Second.

14 MR. BAKOTA: Any comments or questions on
15 the motion? (None) All in favor?
16 (All signify aye.)

17 MR. BAKOTA: Motion carries.

18 That concludes the business for our
19 special meeting. Do I have a motion for adjournment?

20 MR. ASKOUNIS: Motion to adjourn.

21 MR. LOPEZ: Second.


22 MR. BAKOTA: All in favor?
23 (All signify aye.)

24 MR. BAKOTA: Motion carries. Meeting
25 adjourned.

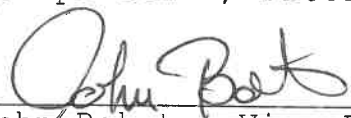
**** Meeting adjourned ****

Approval of the Meeting Minutes of
July 1, 2022

Approved and signed August 15, 2022



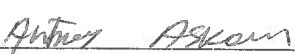
Joseph Ochoa, President



John Bakota, Vice-President



Henry Ventura, Member



Anthony Askounis, Member



Ray Lopez, Member

Alysia Dunbar, Secretary.

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C E R T I F I C A T E

I, Peggy S. LaLonde, a competent and duly qualified court reporter, do hereby certify that I did report in machine shorthand the foregoing proceedings and that my shorthand notes so taken at said time and place were thereafter reduced to typewriting under my personal direction.

I further certify that the foregoing typewritten transcript constitutes minutes of the said proceedings taken at said time and place, so ordered to be transcribed.

Dated at Munster, Indiana, this 12th day of July, 2022.

Peggy S. LaLonde



Peggy S. LaLonde, CSR, RPR